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Newsletter of the Virginia Board of Accountancy

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Summer 2015



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From the chair

Our Board

Stephanie S. Saunders, CPA
Chair
Virginia Beach, Va.

Marc B. Moyers, CPA
Vice Chair
Manakin-Sabot, Va.

Matthew P. Boshier
Richmond, Va.

D. Brian Carson, CPA, CGMA
Virginia Beach, Va.

Susan Quaintance Ferguson, CPA
Harrisonburg, Va.

James M. "Jim" Holland, CPA
Chesterfield, Va.

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Virginia Beach, Va.

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The Governor of Virginia appoints individuals to various boards in the Commonwealth, including the Virginia Board of Accountancy at the start of the new fiscal year. We welcome two new board members, D. Brian Carson, CPA, CGMA, of Virginia Beach, the Chief Financial Officer at Gold Key/PHR Hotels & Resorts and Susan Quaintance Ferguson, CPA, of Harrisonburg, an instructor at James Madison University. I, along with the other members of the Board look forward to working with them "to protect the citizens of the Commonwealth through a regulatory program of licensure and compliance of CPAs and CPA firms."

With these new appointments we say goodbye to W. Barclay Bradshaw, CPA, our past chair, and Robert J. Cochran, Ph.D., CPA, our vice chair and current NASBA Middle-Atlantic Regional Director. These gentlemen actively served for the past four years and through their professionalism and dedication to the Board, the citizens of the Commonwealth and licensees benefited from their expertise in their respective fields of public accounting and academia. Thank you Barclay and Bob for your commitment.

Each May, the Board holds a planning meeting to discuss topics including potential changes to statutes, regulations and Board policies, along with other issues.

The meeting was held May 21 and some of the highlights included:

- **Board Policies #2 and #4 Consolidation:** It was decided that these two policies remain separate. Board Policy #2 relates to CPE Guidelines for Sponsors and Board Policy #4 relates to CPE Guidelines for CPAs. One clarification was made to both policies in regards to the Virginia-Specific Ethics Course – online self-study must be presented by an instructor.
- **Background checks for licensees:** Of the 55 state boards of accountancy, 45 boards responded to our Executive Director on whether they required background checks. Only 11 state boards require background checks for individuals applying for a CPA license. Virginia is not currently one of them. It was further noted that less than five individuals had been denied licensure by these states. Board members had different opinions regarding this issue and no decision has been made at this time.
- **Active – CPE Exempt Status:** The Board conferred on this status as it relates to using the CPA title, substantial use, financial and providing services to an employer. I recommend you read the Board's minutes in regards to these issues that are located on the website. Of our approximately 27,000 licensed CPAs in Virginia, 898 CPAs have been granted the Active – CPE Exempt status through June 30, 2015. The VBOA along with other Boards continue to grapple with such categories of "Inactive" and "Retired." In our role of protecting the citizens, the Board feels strongly that the Active - CPE Exempt status clearly informs the public.

I attended the NASBA Eastern Regional Conference held in June, in Baltimore, Md. Joining me was Matthew Boshier, Bob Cochran, Wade Jewell and Kelli Anderson. Kelli presented our latest video at the Communications breakfast while Bob led the breakout session, Evolving Education Issues. Other sessions included Peer Review Compliance, CPE Standards and Model Rule Changes and Accepting International Professionals. These meetings provide us with issues that affect our profession and enable us to have conversations with the other Board members in the other jurisdictions to keep us informed.

Please feel free to contact the Board and our great staff with any questions or comments – we are here to serve you!



Stephanie S. Saunders, CPA
VBOA Chair

Wade In: from VBOA's director

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Change. For me, hearing this word sometimes stirs emotions that something is about to happen that often is not necessarily a good thing. However, it can be a good thing, a very good thing like having a grandchild, starting your dream job, or retiring after a long career! One definition of change is to make the form, nature, content, future course, etc., of something different from what it is or from what it would be if left alone. Regardless of how we handle change, we all think and react to it differently.



Wade A. Jewell
VBOA Executive Director

For me as the Executive Director, change is inevitable when it comes to Governor Board appointments. Board members are appointed to a four-year term and can serve no more than two consecutive terms if reappointed. With seven Board members appointed at different times, our CPAs can do the math – the content (make up) of the Board is going to change, and change frequently. It is that time of the year when change often occurs for Boards in Virginia.

I have had the honor and privilege of working with truly great professionals and even greater individuals (Board members) during my time as Executive Director. We, the Virginia Board of Accountancy, are sadly saying goodbye to two Board members whose first terms ended June 30, 2015: W. Barclay Bradshaw, CPA, and Robert (Bob) J. Cochran, Ph.D., CPA. Barclay's passion for "protecting the public" through the Board's enforcement process has been unparalleled. The number of volunteer hours that are dedicated to serving on the Board's Enforcement Committee cannot be measured in hours alone. Bob's passion for education and the CPA profession is enthusiastic and thought provoking. Bob has served Virginia well nationally too, serving as the National Association of State Boards of Accountancy Education Committee Chair, and as the NASBA Middle-Atlantic Regional Director. Barclay and Bob's professionalism, commitment to the CPA profession and their friendship will be truly missed!

The change continues with the appointment of two new Board members. Gov. Terry McAuliffe announced the appointments of D. Brian Carson, CPA, CGMA, and Susan Quaintance Ferguson, CPA, on July 2, 2015. Brian and Susan's appointments run through June 30, 2019. Beginning with new Board member orientation scheduled for July 27, I am excited about the service opportunities that exist for Brian and Susan and I look forward to seeing the great work that lies ahead for each of them as Board members. Each time a new member is appointed to the Board, they bring a unique perspective, and somehow always seem to compliment an already truly exceptional Board!

For a complete listing of our current Board members and their bios, please visit the [Board membership page](#) on our website.

Until I "Wade-In" next time, we can anticipate change! Enjoy your summer!

From the outgoing chair

It is hard to believe that my time of serving on the Board has come to an end. I owe a great debt to my former colleagues: Matthew Boshier, Dave Brat, Regina Brayboy, Dian Calderone, Dr. Bob Cochran, Tyrone Dickerson, Jim Holland, Andrea Kilmer, Marc Moyers, Larry Samuel and Stephanie Saunders. These individuals have spent many hours upholding our mission of protecting the public. I want to also thank our Executive Director, Wade Jewell, and his dedicated staff for all they do in serving the public.

My primary focus during my term on the Board has been in the enforcement area. Our primary mission at the VBOA is to protect the citizens of the Commonwealth. I wish to thank my fellow enforcement committee members, Andrea Kilmer and Stephanie Saunders, whose tremendous contribution of time and expertise to our enforcement efforts made this experience much more rewarding. I also want to thank our Enforcement Manager, Jean Grant, for her professionalism and dedication to the Board.

The Board continues to approach enforcement cases in a firm but fair manner. And while some of the enforcement cases have been egregious, and financial sanctions exceed \$1 million over the past four years, the statistics reflect that only a very small percentage of the approximately 27,000 licensed CPAs in Virginia have enforcement issues. Also, we have not had any major scandals involving CPAs in Virginia.

One disappointing statistic, which remained much too high during my term, was the CPE audit deficiency rate. The VBOA conducts routine random audits of licensees' CPE compliance throughout each year.

The deficiency rate was 15% for the year ended June 30, 2013, 18% for the year ended June 30, 2014, and 24% for the year ended June 30, 2015. Frankly, I am embarrassed that nearly one quarter of my fellow licensees in the Commonwealth either cannot or simply will not comply with the Board's CPE regulations. This lack of compliance is a major challenge to our commitment to life-long learning. We should do better and I am sure we can do better.

It has been an honor and privilege to serve both the Commonwealth and our great profession over the past four years. I wish to thank the VSCPA and Sen. Walter Stosch for being instrumental in giving me the opportunity to be of service. I hope great fortune comes to the Board in its future activities.



W. Barclay Bradshaw, CPA
VBOA outgoing chair

From the NASBA Report:

Candidates who sat the first week of the 3rd quarter testing window had a 10% higher pass rate than those who waited until the last week.



2014 Third Quarter Exam Window



VBOA news

Recognition Day honors outgoing Board members

On Tuesday, June 30, the VBOA acknowledged W. Barclay Bradshaw, CPA, and Robert “Bob” Cochran, Ph.D., CPA, for their four years of service to the Board. Both of their Board appointments were up this year.

During the Board meeting, newly elected VBOA chair Stephanie Saunders, CPA, recognized both members and proclaimed a resolution that June 30, 2015, to be Bradshaw and Cochran Recognition Day. Bradshaw and Cochran served as VBOA chair and VBOA vice chair respectively since July 1, 2014.



Left to right, Cochran, VBOA Executive Director Wade Jewell and Bradshaw.



VBOA Chair Stephanie Saunders reads the resolution.



VBOA news

Virginia Governor appoints two new Board members

Gov. Terry McAuliffe announced new appointments on Thursday, July 2, including the naming of two new members to the Virginia Board of Accountancy. D. Brian Carson, CPA, CGMA, of Virginia Beach, and Susan Quaintance Ferguson, CPA, of Harrisonburg, are the latest members to join the seven member board.

Carson is the Chief Financial Officer for Gold Key/PHR Hotels & Resorts. Previously, he was a partner with Goodman & Company (now Dixon Hughes Goodman). For more than a decade, he specialized in corporate financial audits, financial reporting, income tax reporting and financial forecasting. He focused primarily on the timeshare, hospitality, hotel management, commercial real estate and construction industries. He has the distinction of being named the youngest partner at Goodman & Company in more than 40 years.

Ferguson has taught accounting at James Madison University since 2006 and earned the Dean's Impact Award in 2014-15 for Outstanding Contribution to the College of Business and its Stakeholders. Her previous experience includes working in public accounting and serving as Principal at Susan Q. Ferguson, CPA. She also served on the VSCPA Board of Directors from 2012-15.

Both new members began their four-year term on July 1, 2015. Carson succeeds previous Board member W. Barclay Bradshaw, CPA, and Ferguson succeeds Robert "Bob" J. Cochran, Ph.D., CPA.

CPAverify reaches 50-board milestone

In January 2015, the national registry of CPAs, CPAverify.org, reached the milestone of integrating data from the 50th state Board of Accountancy.



As a result, the public database now includes CPA license information for more than 97% of CPAs, marking a record amount of data sharing between the state boards.

CPAverify.org, a free service available to the public, determines if a person or firm is licensed to practice public accounting. License issue dates, license status and other details are included in all records. CPAverify.org is the public-facing version of the Accountancy Licensee Database, or ALD, which is the original database formed for internal use by board regulators.

The ALD and CPAverify.org are managed by NASBA and out of 55 total Boards of Accountancy, integrating data from 50 of those boards distinguishes the accounting regulators as having one of the most accelerated data-sharing programs among state-regulated professions. Since 2004, NASBA has worked directly with the Boards to build this national database.

The remaining five Boards of Accountancy not currently sharing data are either working on implementation or working with NASBA to overcome remaining obstacles for participation.

VBOA news

VBOA launches videos to Virginians

This spring the VBOA furthered their communications efforts to the Virginia accounting community by introducing newly created videos. Engaging, informative videos are now available on the VBOA website and through the Board's social media channels Facebook and Twitter.



Each video, about one to 2-minutes in length, will focus on a different topic relative to new licensees, consumers or those sitting for the exam. Completed videos thus far include an introduction to the VBOA's services and information about the Active – CPE Exempt status. Future topics in development include renewing a license, applying for the CPA exam, CPE compliance, enforcement and much more.

The VBOA wanted to strengthen their efforts and enhance what is already happening in the office, over the phone and on the website. This video series incorporates a different means of communicating to the audience with acknowledging people learn differently and some would prefer to watch a video to retain information.

The white board animation technique is being used in creating these videos, which combines audio and visual cues that reduce the amount of time it takes to tell a story and activates more long-term memory. A white board animation video peaks a users interest from the start, maintains the attention and strengthens the video to be more engaging.

The videos can be found on the VBOA home page at www.boa.virginia.gov.

Updated Board policies

The spring 2015 Board meetings brought changes to some existing Board policies, as well as the adoption of a new policy. All policies can be found on the [VBOA website](http://www.boa.virginia.gov).

Revised approved policies include:

- [Board Policy #1, Trust Account](#)
- [Board Policy #2, Continuing Professional Education \(CPE\) Guidelines for Sponsors](#)
- [Board Policy #4, Continuing Professional Education \(CPE\) Guidelines for CPAs](#)
- [Board Policy #5, Publication of Board Disciplinary Action](#)
- [Board Policy #7, Peer Review Oversight Committee](#)
- [Board Policy #8, Ethics Committee](#)

Newly established policy includes:

- [Board Policy #10, Electronic Participation in Virginia Board of Accountancy Meetings](#)



VBOA news

Changes in statutes affect Virginia CPAs

The new fiscal year brought about revisions and additions to VBOA statutes that benefit Virginia CPAs with the AICPA's addition of a new formal accounting service, as well as providing clarity to existing statutes regarding firm mobility for CPA firms.

Financial Statement Preparation Services

The AICPA Accounting and Review Services Committee issued a revised Statement on Standards for Accounting and Review Services (SSARS) No. 21.

The revision to include the preparation of financial statements are reflected in the Board's statutes effective July 1, 2015. SSARS No. 21 represents the AICPA's efforts to clarify and revise the standards for reviews, compilations and engagements to prepare financial statements.

Previously, there were three primary services provided by CPAs relative to public accounting: audits, reviews and compilations. The revised SSARS No. 21 adds a fourth primary service ([§ 54.1-4400. Definitions.](#)).

The statute change makes it clear to our Virginia licensees and to the public that financial statement preparation services are covered in the accountancy statutes in the same manner as audit, review and compilation services.

The impact of this change also states that a firm license is required for CPAs performing this service, even if they are not providing audits, reviews and compilations. Firms must also enroll in the peer review program. This change does not restrict a non-licensee from performing this service.

Firm mobility

Another statute change clarifies previous requirements for CPA firms. Firm mobility now states out-of-state firms that come into Virginia and perform CPA services must meet the same guidelines and regulations as Virginia-based firms. The addition of clarifying language can be found in [§ 54.1-4412.1 C.1., 2. Licensing requirements for firms.](#)

Did you know?

All VBOA Board Meetings are open to the public. The Board Chair will generally ask all public members to introduce themselves at the beginning of each meeting and will provide each public member a five minute comment period, if desired.

VBOA news

Virginia-Specific Ethics Course updates

The VBOA requires that all licensees providing services to the public or to an employer complete on an annual basis the two-hour Virginia-Specific Ethics Course, that complies with Board Regulation [18VAC5-22-90](#), to maintain their continuing professional education credits.

Resources

- [2015 Sponsor/provider application](#)
- [List of approved sponsors](#)
- [VSCPA frequently asked questions](#)

For calendar year 2015, the Board approved the Virginia Society of CPAs as the only provider of **content/material** for the mandatory ethics course.

Approved sponsors are still able to teach the annual ethics course, however they must receive the content/material from the VSCPA. The course must be instructor-led but may be presented in a variety of different formats including, but not limited to, live seminars, conference sessions, online self-study presented by an instructor, live webcast and webcast replays, on-demand webcast and in-house training.

Interested sponsors must submit an application and become pre-approved annually by VBOA staff. All instructors of the course must hold an active, in good standing, Virginia CPA license.

It is the licensee's responsibility to ensure that sponsors presenting the Virginia-Specific Ethics Course are listed on the Board's website as an approved sponsor of this course. Licensees will not be granted CPE credit for completing a Virginia-Specific Ethics Course from a non-approved sponsor.

Virginia CPAs must also ensure that sponsors provide a certificate of completion or some other form of documentation that includes the sponsor's name, participant's name, course/content name, date taken and CPE hours earned.

All approved sponsors and instructors are listed on the VBOA website at www.boa.virginia.gov/CPALicense/Sponsors.shtml.

CPAs are encouraged to use this listing for guidance when choosing the annual ethics course. The 2015 course content is available until January 31, 2016.

For more information about the course, contact the VBOA at (804) 367-8505 or at boa@boa.virginia.gov.

Attention: Licensees must take the Virginia-Specific Ethics Course from an approved sponsor. A listing of all approved sponsors can be found on the [Board's website](#).

Active - CPE Exempt status requires pre-approval

In July 2014, the VBOA began accepting applications for the new licensee status, Active – CPE Exempt. Active – CPE Exempt offers CPAs the option to maintain their license when they are not providing services to an employer or to the public.

This status is mandatory for CPAs not wishing to pursue or continue with continuing professional education hours. A change in status requires approval first by the VBOA through an application process, including submission of a company bio and job description, if currently employed when applying for the status change. Retirees who are not providing services must also apply and be approved before they discontinue taking CPE.

CPAs who qualify for this status will be allowed to renew their license annually by paying the renewal fee and continue to use the CPA title, but will not need to fulfill CPE requirements. A licensee can apply for the Active – CPE Exempt status immediately upon a change in working status that qualifies for this exemption.

Since the status was established, there has been some confusion on qualifications as well as the use of the CPA title by licensees. Per Board Regulation [18VAC5-22-40](#), “...holding a Virginia license constitutes using the CPA title.”

Therefore, not using the CPA title does not automatically exempt a licensee from CPE requirements. A licensee can only be considered Active – CPE Exempt if he or she is not currently providing services to the public or to an employer (providing to an entity services that require

the substantial use of accounting, financial, tax or other skills that are relevant, as determined by the Board).

Audits

Monthly, the VBOA conducts a random CPE audit of all actively licensed CPAs. The audit is conducted to ensure licensed CPAs are up-to-date and current on their CPE hours.

If CPAs wish to apply for the Active – CPE Exempt status, they must do so before they are selected for an audit. Licensees not **pre-approved by the VBOA prior** to being selected for a CPE audit may be subject to penalties or disciplinary actions.

Applying for the Active – CPE Exempt status or denial from the status will not increase your chances of being selected for audit.

To learn more about who qualifies and who does not, [watch the VBOA's Active – CPE Exempt video](#).

If you have additional questions about this status, please contact the VBOA office at (804) 367-8505 or email boa@boa.virginia.gov.

As of June 30, 2015, the VBOA has received:

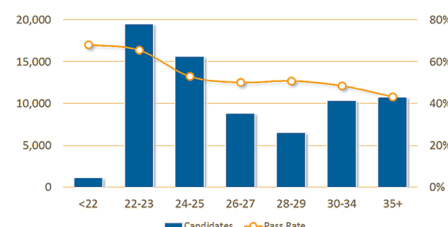
- 1,349 Active – CPE Exempt status applications
- 898 approved
- 451 denied

Attention: CPAs not approved for the Active – CPE Exempt status must comply with CPE requirements.

From the NASBA Report:

Pass rates for 1st-time candidates in 2014 range from 68% for those younger than 22 to 43% for those 35 and older.

Pass rate of first-time candidates in the 2014 CPA Exam testing window, broken down by age groups.



Enforcement Director makes strides since VBOA arrival

Since arriving in February 2015, I have been involved in updating and formatting our investigative report processes and related documents and forms. These updates reflect the changing investigative demands facing the VBOA as it safeguards the standards that apply to the Commonwealth's licensed accounting practitioners and professionals. I am actively supervising all aspects of investigations of the VBOA's enforcement personnel.

I recommended and implemented the development of additional informational tools available to our enforcement office for use during the investigative process. Several investigative tools have been obtained that will make investigative findings more informative and understandable.

We make use of policies and procedures for types of complaints such as unlicensed activity, due professional care, audit failure and governing body violations. We have been tasked to enhance our procedures and demonstrate a standardized method of investigation that is fair and free of bias. This process-oriented approach will ensure that our investigations are guided by the standards protecting procedural due process. The aim is to preserve the integrity of investigations, an especially important goal as we administer cases that involve professional conduct.

We introduced the use of a news clipping service for Virginia print media sources, that obtains and reports timely information regarding unlicensed professional activity across the Commonwealth, providing our office with the ability to monitor statewide accounting activity and to offer proactive opportunities for investigating certain types of cases, and expanding our awareness of the marketplace and of possible violations of our statutes and regulations.

One set of goals for our office is to review and adopt the best practices that are currently in use by board enforcement offices nationwide, so that we are best positioned to respond to current and future challenges connected to our mission to protect the public and promote regulatory licensure and compliance. Through attendance at meetings and gatherings of legal professionals and investigators,

the VBOA has shared in the process of advancing our capabilities. I also monitor the practices of other states through newsletters, networking and sharing our information with outside agencies.

Another set of goal-oriented processes that we enacted was to recalibrate the methods of contacting and responding to others during our investigative processes. Recent Supreme Court actions provided direction to our office as we moved toward a structured approach aimed at protecting the public while also respecting the free marketplace for both non-licensed persons and those who are licensed by the VBOA. We determined that our new processes in place will be proactive and thorough in our investigative procedures, and will demonstrate our leadership and effectiveness as we become a nationwide pacesetter in accomplishing our mission of protecting the citizens of the Commonwealth.

- Mark Bong, VBOA Enforcement Director

Prior to joining state government, Bong guided law clients as an attorney in federal hearings and served as counsel to clients in state circuit and district courts to bring criminal and civil issues to resolution. Before law school, he graduated with honors from Harvard University, where he earned a master's degree in education and a summa cum laude bachelor's degree from Florida Southern College.

For more than 12 years, he worked as a Patrol Officer, then Major Crimes Detective, Government Special Agent, Training Lieutenant in charge of statewide training, and Regional Captain. Bong is an Adjunct Professor of Law at James Madison University where he teaches in their Paralegal Training Program.



Mark Bong
VBOA Enforcement Director

CPA exam performance 2014

Here are some highlights from candidate performance for the 2014 Uniform CPA Examination. These year-end numbers are provided by NASBA and collected through voluntary participation of candidates and their individual Boards of Accountancy, in cooperation with the AICPA. Virginia is compared to the overall candidate performances from the 55 Boards of Accountancy jurisdictions.

All jurisdictions

Overall performance

- Unique candidates: 91,384
- New candidates: 39,798
- Total sections: 234,440
- Passing 4th section: 25,643

Section performance

	Sections	Score	Pass
First-time:	136,288	72.6	55%
Re-exam:	98,152	70.8	41.9%

Average age

29.1

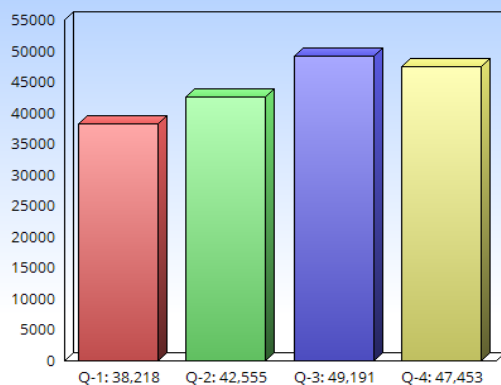
Demographics

Female: 43,914



Male: 44,657

Candidates
Testing quarters



Virginia

Overall performance

- Unique candidates: 3,248
- New candidates: 1,255
- Total sections: 8,307
- Passing 4th section: 948

Section performance

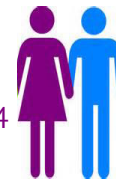
	Sections	Score	Pass
First-time:	4,824	74.2	58.2%
Re-exam:	3,483	71.2	42.2%

Average age

29.4

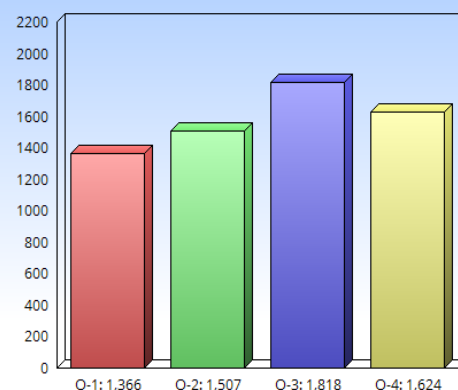
Demographics

Female: 1,004



Male: 1,234

Virginia candidates
Testing quarters



Common misconceptions for Virginia licensees

Below are some questions the Virginia Board of Accountancy commonly receives. The answers will hopefully clear up misconceptions that our CPAs are facing.

Q: Does holding a Virginia license constitute using the CPA title?

Yes, per Board Regulation [18VAC5-22-40](#), "...holding a Virginia license constitutes using the CPA title." This includes the title CPA, certified public accountant or public accountant in any form or manner.

Q: If I don't get a reminder notice from the VBOA, do I need to renew my license?

Yes, all licensed CPAs and CPA firms in Virginia must renew their license annually. It is the responsibility of the licensee to renew their license or firm license, regardless if the licensee receives a reminder notice for renewal from the VBOA. See [§ 54.1-4413.2, Code of Virginia](#), for details regarding renewal of a CPA license. Failure to renew your license by the due date will result in a \$100 late fee.

Ensure the VBOA has your most current email and/or mailing address on file by filling out the [Change of Contact Information Form](#) so we can reach you.

Q: Will the Board waive my CPE requirements if I request an Informal Fact-Finding (IFF) Conference?

The Board handles each enforcement case individually and considers all facts and circumstances. However, having an IFF itself does not automatically erase the violation that had occurred. The Board will make a determination based on the facts presented at the hearing.

Q: If I file a complaint against a CPA, will the complaint be published?

If the CPA is found in violation, yes, it will be published according to [Board Policy #5, Publication of Board Disciplinary Actions](#). The VBOA publishes information of licensees found to be deficient in CPE credit hours only in the event of a previous CPE deficiency or previous professional violation. The VBOA also publishes CPE disciplinary actions resulting in suspensions or revocations.



Q: If I'm not actively using the CPA title on my business cards, email signature, website or other materials and do not perform CPA services do I need to fulfill CPE requirements each year?

Yes, if you have an Active CPA license, you are required to fulfill CPE requirements each year, regardless of your job titles.

However, if you have been previously approved for the [Active – CPE Exempt](#) status by the VBOA, then you do not need to fulfill CPE requirements. In order to qualify for the Active – CPE Exempt status your current job duties may not require a substantial use of accounting, financial, tax or other skills that are relevant, as determined by the Board and you must first apply to the Board for approval.

Q: Do I need to take the Virginia-Specific Ethics Course every year?

Yes, the two-hour Virginia-Specific Ethics Course is a requirement toward a licensee's annual CPE hour total. The VBOA requires that all Active licensees complete on an annual basis a Virginia-Specific Ethics Course that complies with Board Regulation [18VAC5-22-90](#).

Q: If a client refuses to pay for the tax services I've provided, do I have to release their records to them?

Yes, a CPA cannot keep **client** files in accordance with [IRS Circular 230 § 10.28 Return of client's records](#) and Rule 501 of the [AICPA Code of Professional Conduct](#). The CPA must return anything the **client** has provided.

However, the CPA can keep all of his or her specific work papers.

Do you have any more questions? Please send them to Kelli Anderson, VBOA Communications Manager, at kelli.anderson@boa.virginia.gov.



CPE Tracking helpful tips

In October 2014, the Virginia Board of Accountancy partnered with NASBA on the launch of [CPE Tracking](#), an automated tracking system for continuing professional education credits.



The system is a free service available to all Virginia CPAs and offers licensees the ability to track and record their own earned CPE credits. CPE Tracking creates a viable history with automated tracking that eases the CPE management workload required for Virginia CPAs.

Here are some helpful tips as CPAs start using CPE Tracking on a regular basis:

- Virginia CPAs must enter CPE courses individually into CPE Tracking and each certificate of completion or computerized report must be attached.
- All Virginia Society of CPA CPE courses are automatically transferred into the new system and CPAs do not need to enter those hours

- themselves, unless the CPA opts out of this transfer.
- CPE Tracking is mandatory to use if CPAs are selected for an audit. It is encouraged to start entering your CPE credits and certificates before you are randomly selected for a CPE audit so it's more manageable to track all your hours.
- Because each course has to be entered individually allow adequate entry time during initial uploads of CPE hours.

If you still have questions regarding CPE Tracking, feel free to contact Christine Rappe, VBOA CPE Coordinator, at christine.rappe@boa.virginia.gov or (804) 367-1568.

Protect yourself from IRS-related scams

The IRS warns individuals to be aware of impersonators making aggressive, threatening phone calls demanding personal and financial information regarding taxes or refunds. Since 2013, the Treasury Inspector General for Tax Administration has received reports of roughly 290,000 calls from IRS impersonators and has become aware of nearly 3,000 victims who have collectively paid more than \$14 million as a result of a phone scam.

The following information will help protect you from being a victim.

Keep in mind the IRS will never:

- Call to demand immediate payment or about taxes owed without first mailing you a bill.
- Demand you pay taxes without giving you the opportunity to question or appeal the amount you owe.
- Require you to use a specific payment method for your taxes, such as a prepaid debit card.
- Ask for credit or debit card numbers over the phone.
- Threaten to bring in local police or other law enforcement for not paying.

What do you do if you receive one of these calls?

- If you know you owe taxes or think you might owe, ask for a call back number and an employee badge number and call the IRS at 800-829-1040.
- If you know you don't owe taxes or have no reason to believe that you do, report the incident to the TIGTA at 1-800-366-4484 or at www.tigta.gov.
- If you have been targeted by this scam, contact the Federal Trade Commission and use the FTC Complaint Assistant at www.ftc.gov.

Also remember the IRS does not use email, text messages or any social media to discuss personal tax issues involving bills or refunds.

If you get a suspicious message:

- Do not reply and do not give out your personal or financial information.
- Forward the email as-is to phishing@irs.gov then delete the email or message.
- Do not open any attachments or click on any links.

For more information on IRS-related tax scams, visit www.irs.gov.

Board Disciplinary Actions

Policy notice

It is the policy of the VBOA to publish the information of licensees against whom the Board has taken a disciplinary action resulting in suspensions and revocations and for other professional violations. The VBOA publishes information of licensees found to be deficient in CPE credit hours in the event of a previous CPE deficiency or previous professional violation or a disciplinary action resulting in suspensions or revocations. The Board also publishes information of exam applicants and unlicensed individuals and firms against whom the Board has taken a disciplinary action. This policy is subject to change without notice.

Professional violations

Name	License number	City, State	Violation	Date	Authority
Ernst & Young LLP	132249 Firm license	McLean, Va.	Standards of Conduct and Practice	2/19/15	§ 54.1-4413.3 (1) (2) (3)

Consent Order

Ernst & Young LLP violated the Code of Virginia with respect to the conduct described in the Non-Prosecution Agreement (NPA) that EY entered into with the U.S. Department of Justice on February 26, 2013, that was the subject of sanctions by the North Carolina Board of Accountancy.

Based on the violations, EY agreed to: (1) be formally reprimanded by the VBOA with respect to the conduct described in the NPA in that there were 12 transactions involving 13 taxpayers based in Virginia; (2) pay a monetary penalty of \$12,000 with 90 days of the entry date of the Order; and (3) reimburse the VBOA \$500 for the investigation of this matter.

Professional violations

Name	License number	City, State	Violation	Date	Authority
Woon S. Kim	23904	Annandale, Va.	Due professional care; Practicing with expired firm license; CPE deficiency	1/8/15	§ 54.1-4413.3 (4) (5) (6), § 54.1-4412.1, 18VAC5-22-150 and 18VAC5-22-140

Consent Order

Mr. Kim violated the Code of Virginia regarding due professional care by failing to comply with the technical standards issued by the AICPA (Generally Accepted Auditing Standards) and the Financial Accounting Standards Board (Generally Accepted Accounting Principles). He also violated the Code of Virginia regarding licensing requirements for firms by providing auditing services to CalUMS VA without a valid CPA firm license. He also violated the Board's regulations by failing to be enrolled in a peer review monitoring program during the time he provided auditing services and failing to obtain the required eight hours of A&A CPE for the reporting period of 2011.

Based on the violations, Mr. Kim agreed to the following: (1) he shall not perform any services that are restricted to licensed CPA firms until his CPA firm license has been reinstated by the VBOA; (2) pay a monetary penalty of \$5,000 for providing services that are restricted to licensed CPA firms; (3) reimburse the VBOA \$1,000 for the investigation of this matter; (4) pay \$250 for failing to obtain the required eight hours of A&A CPE and making up the deficient hours within 90 days; and (5) pay a monetary penalty of \$10,000 for the non-compliance with technical standards issued by the AICPA and the Financial Accounting Standards Board. Mr. Kim understood that any and all firm license applications for the reinstatement of his expired firm CPA license shall be placed on hold for a period of no less than five years. Upon completion of the five years, Mr. Kim will be required to come before the Board to demonstrate his competency.

Board Disciplinary Actions

Professional violations

Name	License number	City, State	Violation	Date	Authority
Marshall B. Knox	5754	Roanoke, Va.	Due professional care; CPE deficiency	2/19/15	§ 54.1-4413.4 , § 54.1-4413.3 (1) (2) (3) (4) and 18VAC5-22-90 (B)

Final Order

Mr. Knox violated the Code of Virginia regarding failure to timely communicate with the client and failure to complete agreed upon services, as well as Board regulations regarding Continuing Professional Education requirements.

The Board ordered Mr. Knox to pay a monetary penalty of \$1,000 for the deficiency of 120 CPE for calendar years 2010, 2011 and 2012 and pay a monetary penalty of \$100 for failure to respond to the Second Notice CPE compliance review notice and the Final Notice CPE compliance review notice. Knox's CPA license has been voluntarily surrendered as of November 14, 2014 and shall not be eligible for reinstatement for a period of one year and completion of all terms and conditions of the order. He shall be required to come before the Board as a condition of reinstatement of his CPA license and understood that during the time he is not licensed as a CPA, the CPA designation cannot be used nor any services provided that are restricted to licensed CPAs until his individual CPA license has been reinstated. Mr. Knox shall also remove the CPA designation from all advertisements, business cards, magazines, business letterhead, social media, email address and signatures, phone book registries including web search engines and any and all listings that implies the individual is currently licensed. Knox understood that all terms and conditions of this Order shall be completed prior to the consideration of any and all applications for CPA licensure in Virginia.

Professional violations

Name	License number	City, State	Violation	Date	Authority
Marguerite Thompson	Never licensed (at time of violation)	Vienna, Va.	Unlicensed activity	2/19/15	§ 54.1-4414 , § 54.1-4412.1 and § 54.1-111

Consent Order

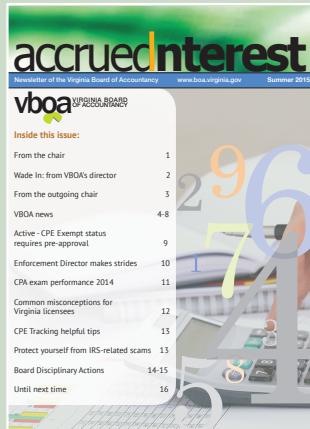
Ms. Thompson violated the Code of Virginia by performing services restricted to licensed CPAs and CPA firms in Virginia without a valid individual or firm CPA license.

Based on the violations, Ms. Thompson agreed to: (1) pay a monetary penalty of \$10,000 for providing financial reviews/ services for the years 2001, 2002, 2004, 2006 and 2007 that are restricted to licensed CPAs and CPA firms without a valid individual or firm license in the Commonwealth; (2) immediately refrain from providing any service that is restricted to licensed CPAs and CPA firms and to remove all references on her website regarding the offering to perform any and all services that are restricted to licensed CPAs and CPA firms until Thompson and Thompson Tiller Group, Ltd has been granted a CPA license by the VBOA; and (3) reimburse the VBOA \$500 for the investigation of this matter.

All VBOA Board Disciplinary Actions from 2011 are listed in alphabetical order on our [website](#). Contact the VBOA for disciplinary actions prior to 2011, or if additional information or documentation is needed.

Monetary penalties are deposited into the state's Literary Fund and are not available for use by the Virginia Board of Accountancy.

Until next time...



For comments and/or questions about the VBOA newsletter contact:

Kelli L. Anderson

Communications Manager

Phone: (804) 367-1586

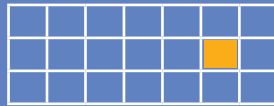
Fax: (804) 527-4409

Email: kelli.anderson@boa.virginia.gov

Website: www.boa.virginia.gov

View the listing for new
[Virginia licensees](#)
(individual and firm) on the
VBOA website.

The mission of the Virginia Board of Accountancy is to protect the citizens of the Commonwealth through a regulatory program of licensure and compliance of CPAs and CPA firms.



Upcoming Board Meetings

Future meeting dates to be determined

Please visit the Board's [website](#) for additional information about upcoming meetings.

Board meetings are typically held in the second floor conference center at 9960 Mayland Drive, Henrico, Virginia 23233 unless otherwise noted.

Please call **(804) 367-8505** a week before the scheduled date for the latest details. Board meetings are open to the public.

Keep us informed

Have you moved? Changed your name? Changed your email address or phone number? Please update your contact information so we can reach you.

In accordance with Board Regulation [18VAC5-22-170](#), each holder of a Virginia license shall notify the VBOA in writing within 30 calendar days of any change in the holder's name or postal and electronic addresses where the person or firm may be reached.

Licensees

[Login](#) to update address, phone number and/or email address. A name change may only be submitted with a [Change of Contact Information Form](#).

Exam candidates

Submit a [Change of Contact Information Form](#) to update name, address, phone number and/or email address.

License renewal

It is the responsibility of the licensee to renew their license regardless if the licensee receives a reminder notice for renewal from the VBOA.

All licensed Virginia CPAs must renew their individual license annually. In general, an individual CPA license expires on the last day of the month in which the license was originally issued. Licensees may visit the VBOA [licensee search](#) to determine when their license is due to expire. The VBOA transmits electronic renewal notices approximately 30 days prior to expiration of the license (followed by a second notice approximately 60 days after expiration).

Renew an individual [CPA license online](#) on the VBOA website.